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## **Mexico**

### **Grain and Feed**

# **Final Decision in Antidumping Case Against U.S. Long Grain White Rice**

## **2002**

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#### **Report Highlights:**

**On June 5, 2002 the Secretariat of Economy (SE) issued its final decision on the antidumping case against exporters of U.S. long-grain white rice. SE will impose antidumping duties of approximately four to ten percent depending on the producing company.**

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Includes PSD changes: No  
**Includes Trade Matrix: No**  
Unscheduled Report  
Mexico [MX1], MX

**Introduction:** This report summarizes a final ruling published in Mexico's "*Diario Oficial*" (Federal Register) on June 5, 2002.

**Disclaimer:** This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

**Title:** Final Resolution on the Anti-Dumping Investigation on Imports of long grain white rice from the United States (HTS # 1006.30.01)

**Type of Ruling:** Final

**Products Affected:** Long-grain white rice under tariff code: 1006.30.01

**Agency in Charge:** The Secretariat of Economy (SE), International Commercial Practices Unit

**Important Dates:**

1. **Publication of Preliminary Ruling:** December 11, 2000 (See MX0185)
2. **Publication of Final Ruling:** June 5, 2002
3. **Effective Date of Final Ruling:** June 6, 2002

**Summary of the Resolution's Important Provisions**

On June 5, 2002, the Secretariat of Economy (SE) published in the Mexican *Diario Oficial* (Federal Register) a final finding in the antidumping complaint against exporters of U.S. long-grain white rice. SE's finding assesses compensatory duties against the following products and U.S. exporters. Also, as explained below, some U.S. rice exporters are exempt from additional duties. This is a summary derived from the Spanish-language announcement, following the same headings and order of the published text. All duties are specific in percentage.

**DECISION:**

The investigation is concluded against long-grain white rice and the mixtures of long-grain white rice with other types of rice (when the long-grain white rice confers them its essential character) originating from the U.S., regardless of country shipped from, for HS 1006.30.01, with the following terms:

- A. For the imports from the companies Farmers Rice Milling Company and Riceland Foods, Inc.: 0 (zero) percent.
- B. For the imports from the company The Rice Company: 3.93 percent.

C. For the imports originating from other companies that export from the United States of America to Mexico: 10.18 percent

No duty for all long-grain white rice and the mixtures of long-grain white rice with other types of rice originating from other countries as long as country-of-origin can be proven.

**Background:**

On December 11, 2000, the SE, initiated an anti-dumping case against imports of long grain white rice from the United States. The petition was filed in October 1999 by the Mexican Rice Council (CMA), an important producer and milling group representing the Mexican milling industry and domestic rice producers. CMA alleged and SDE determined that indications of price discrimination existed and that said price discrimination allowed U.S. exporters to decrease the price of long grain white rice exported to Mexico during the period March-August 1999. Likewise, SE determined that the combination of both of the above situations caused a decrease in price of long grain white rice produced domestically, which in turn provoked a decrease in farmers' income. Finally, SE determined that the decrease in income to the sector producing long grain white rice constitutes damage caused by conditions of price discrimination on imports of long grain white rice from the United States. Mexico's imports of white rice from the U.S. in CY 1999 were 2.0 percent lower than the same period in 1998, when the U.S. exported US\$16.8 million.

The period of investigation for this antidumping petition was March 1, 1999 to August 31, 1999, and the CMA identified four Mexican importers; Molino Harinero San Blas, S.A. de C.V.; Frijoles Mexicanos de Saltillo, S.A.; Frutas Secas Contreras, S.A. de C.V.; and Empacadora El Fresno, S.A. de C.V.; and two U.S. exporters, Producers Rice Mills, Inc., and Riceland Foods, Inc., as responsible parties.

Note: In addition to the antidumping case filed against US milled rice, Mexican authorities have included milled rice in the Customs Guarantee Accounts mechanism. This mechanism sets a minimum "estimated" floor price for milled rice. Any shipments of milled rice entering Mexico below the estimated price must deposit the value of the import duty and sales tax imposed on the price differential. The deposit must be returned to the importer within six months. While so far there have not been any significant complaints that this mechanism is affecting trade, it very easily could affect trade if the estimated price is set too high -- especially for small importers who cannot afford to leave operating capital in the bank for six months.

Approximately 90 percent of Mexico's rice imports are paddy rice which has a tariff of 1 percent. The United States is the dominant supplier. The remaining 10 percent of rice imports are long-grain white milled rice, which has a tariff of 2 percent. As a result of NAFTA, the United States and Mexico will eliminate their respective tariffs on rice next year.

**For More Information:**

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*FAS Mexico Web Site:* We are available at <http://www.atomexico.gob.mx> or visit our headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

*Useful Mexican Web Sites:* Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at [www.sagarpa.gob.mx](http://www.sagarpa.gob.mx) and Mexico's equivalent of the Department of Commerce (SE) can be found at [www.economia.gob.mx](http://www.economia.gob.mx). These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained on the mentioned sites.